

STATE OF CALIFORNIA
BUDGET CHANGE PROPOSAL - COVER SHEET

FOR FISCAL YEAR **2011-12**

DF -46 (EXCEL) REV 07/06

Please report dollars in thousands.

Department of Finance
915 L Street
Sacramento, CA 95814
IMS Mail Code: A-15

BCP# 1	PRIORITY NO. 1	ORG. CODE 3875	DEPARTMENT Sacramento-San Joaquin Delta Conservancy
PROGRAM 10	ELEMENT	COMPONENT	

TITLE OF PROPOSED CHANGE
LEGISLATIVE MANDATES AND OPERATIONAL NEEDS

SUMMARY OF PROPOSED CHANGES

This request is for \$300,000 from the Environmental License Plate Fund to meet legislative mandates and commits to the overall success of this new state agency. Specifically, the funding will be used to develop and implement the mandated strategic plan for this new agency. It also provides funding for the mandated headquarters office in the Delta and minimal costs associated with student services to assist with tasks related to organizing a new agency and its mandates.

REQUIRES LEGISLATION <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	CODE SECTION(S) TO BE AMENDED/ADDED	BUDGET IMPACT--PROVIDE LIST AND MARK IF MARK IF APPLICABLE <input type="checkbox"/> ONE-TIME COST <input checked="" type="checkbox"/> FULL-YEAR COSTS <input type="checkbox"/> FACILITIES/CAPITAL COSTS <input type="checkbox"/> FUTURE SAVINGS <input type="checkbox"/> REVENUE
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PREPARED BY Cindy Messer	DATE 1/28/11	REVIEWED BY Patrick Kemp	DATE 1/28/11
DEPARTMENT DIRECTOR Cindy Messer (Acting) <i>Cindy Messer</i>	DATE 1/28/11	AGENCY SECRETARY John Laird	DATE 1/28/11

DOES THIS BCP CONTAIN INFORMATION TECHNOLOGY (IT) COMPONENTS? YES ☐ OR NO ☒

IF YES, DEPARTMENT CHIEF INFORMATION OFFICER SIGNATURE DATE

FOR IT REQUESTS, SPECIFY THE DATE SPECIAL PROJECT REPORT (SPR) OR FEASIBILITY STUDY REPORT (FSR) WAS APPROVED BY THE DEPARTMENT OF FINANCE.

DATE PROJECT # FSR ☐ OR SPR ☐

IF PROPOSAL AFFECTS ANOTHER DEPARTMENT, DOES OTHER DEPARTMENT CONCUR WITH PROPOSAL? n/a

☐ YES ☐ NO

DEPARTMENT OF FINANCE ANALYST USE
(ADDITIONAL REVIEW)

CAPITAL OUTLAY ☐ OTROS ☐ FSCU ☐ OSAE ☐ CALSTARS ☐

DATE SUBMITTED TO THE LEGISLATURE: PPBA:

**STATE OF CALIFORNIA
BUDGET CHANGE PROPOSAL--FISCAL DETAIL
STATE OPERATIONS**

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915 L Street
Sacramento, CA 95814
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BCP#	DATE	TITLE OF PROPOSED CHANGE					
1	1/28/11	LEGISLATIVE MANDATES AND OPERATIONAL NEEDS					
PROGRAM	ELEMENT	COMPONENT					
10							
		PERSONNEL YEARS					
		CY	BY	BY + 1	CY	BY	BY + 1
TOTAL SALARIES AND WAGES ¹		0.0	0.0	0.0		0	0
SALARY SAVINGS		0.0	0.0	0.0		0	0
NET TOTAL SALARIES AND WAGES		0.0	0.0	0.0		0	0
STAFF BENEFITS ²						0	0
TOTAL PERSONAL SERVICES*		0.0	0.0	0.0		0	0
OPERATING EXPENSES AND EQUIPMENT							
GENERAL EXPENSE							
PRINTING							
COMMUNICATIONS							
POSTAGE							
TRAVEL-IN STATE							
TRAVEL-OUT OF STATE							
TRAINING							
FACILITIES OPERATIONS						65	65
UTILITIES							
CONSULTING & PROFESSIONAL SERVICES: Interdepartmental ³						35	35
CONSULTING & PROFESSIONAL: External ³						200	200
INFORMATION TECHNOLOGY							
EQUIPMENT ³							
DEBT SERVICE							
OTHER ITEMS OF EXPENSE: (specify below)							
TOTAL OPERATING EXPENSES AND EQUIPMENT					0	300	300
SPECIAL ITEMS OF EXPENSE ⁴							
TOTAL STATE OPERATIONS EXPENDITURES					0	300	300
SOURCE OF FUNDS	APPROPRIATION NO.						
	ORG	REF	FUND				
GENERAL FUND	3885	001	0001				
SPECIAL FUNDS (ELPF)	3885	001	0140		300		300
FEDERAL FUNDS	3885	001	0890				
REIMBURSEMENTS	3885	001	0995				

LOCAL ASSISTANCE AND DETAIL OF STAFF BENEFITS AND PERSONAL SERVICES

LOCAL ASSISTANCE				\$ (\$ (\$ ()
SOURCE OF FUNDS	APPROPRIATIONS NO.						
	ORG	REF	FUND				
GENERAL FUND				\$	\$	\$	
SPECIAL FUNDS				\$	\$	\$	
FEDERAL FUNDS				\$	\$	\$	
OTHER FUNDS				\$	\$	\$	
REIMBURSEMENTS				\$	\$	\$	

	POSITIONS			SALARY/RANGE	AMOUNT		
	CY	BY	BY + 1	(WHOLE DOLLARS)	CY	BY	BY + 1
				\$	\$	\$	\$
				\$			
				\$			
				\$			
				\$			
				\$			
				\$			
				\$			
				\$			
				\$			
				\$			
				\$			
				\$			
				\$			
				\$			
				\$			
				\$			
				\$			
				\$			
TOTAL SALARIES AND WAGES ⁷	0.0	0.0	0.0		\$ 0	\$ 0	\$ 0

STAFF BENEFITS DETAIL	CY	BY	BY + 1
	(WHOLE DOLLARS)		
TOTAL ⁷			

SUPPLEMENTAL INFORMATION

Please report dollars in thousands

DEPARTMENT	BCP #	FISCAL YEAR	
DELTA STEWARDSHIP COUNCIL	1	2011-12	
	CURRENT YEAR	BUDGET YEAR	BUDGET YEAR + ONE
PROPOSED EQUIPMENT			
TOTAL	\$	\$	\$
PROPOSED CONTRACTS (BOTH EXTERNAL AND INTERDEPARTMENTAL)			
Consultants (development/implementation)		200	200
Student Services		35	35
TOTAL	\$	\$ 235	\$ 235
ONE-TIME COSTS (LIST BY ITEM)	\$	\$	\$
TOTAL	\$	\$	\$
FUTURE SAVINGS			
TOTAL	\$	\$	\$
FULL-YEAR COST ADJUSTMENTS			
TOTAL	\$	\$	\$
FACILITIES/CAPITAL COSTS ⁸			
Headquarters Office		65	65
TOTAL	\$	\$ 65	\$ 65
ADDITIONAL ADJUSTMENTS OR INFORMATION (Use this space for any other supplemental information.)			

¹ Itemized detail on page 3 by classification (as in Salaries and Wages Supplement).² Provide detail on page 3.³ Provide detail on page 4.⁴ Special Items of Expense must be titled. Please refer to the Uniform Codes Manual for a list of the standardized special items of expense that may be used.⁵ Use standard abbreviations per the Salaries and Wages Supplement. Use footnotes to reflect any effective date or limited term if position is not proposed for a full year. **Note: Information provided should appear in the same format as it would on the Schedule 2 (Changes in Authorized Positions).**⁶ List type of retirements, i.e., miscellaneous, safety, industrial, etc.⁷ Totals must be rounded to the nearest thousand dollars before posting to page 2.⁸ Indicate one-time or ongoing.

**FISCAL YEAR 2011-12
LEGISLATIVE MANDATES AND OPERATIONAL NEEDS**

A. NATURE OF REQUEST

Effective February 3, 2010, the Legislature enacted SB X7 1 to establish in the Natural Resources Agency the Sacramento-San Joaquin Delta Conservancy (Delta Conservancy), which is required to act as a primary state agency for implementing ecosystem restoration in the Delta. Its mission is to support efforts that advance both environmental protection and the economic well-being of Delta residents in a complementary manner.

The Delta Conservancy is a small agency with minimal baseline funding to support salaries and operating costs for seven permanent positions. Therefore, the Delta Conservancy requests a baseline funding increase from the Environmental License Plate Fund (ELPF) to support legislative mandates and operational needs:

1. Strategic Plan (\$200,000)

To comply with the Sacramento-San Joaquin Conservancy Act of 2009, Division 22.3, Chapter 5, Section 32376 of Public Resources Code (PRC), the agency must complete development of its mandated strategic plan and begin implementation of its programs. The Delta Conservancy has the necessary expertise and resources to develop the interim plan, but a more technically detailed strategic plan that will outline specific projects, actions and priorities, as well as performance measures cannot be completed without additional resources. The Delta Conservancy will need to hire consultants with experience working in the Delta region, with meeting facilitation, familiar with the steps of strategic planning and to develop the final document.

2. Headquarters Office (\$65,000)

A permanent office space, utilities or other costs directly associated with facility operations. The Delta Conservancy is in the process of securing permanent headquarters office in the legal Delta as required (PRC Section 32340).

3. Student Services (\$35,000)

Due to the small size of the Delta Conservancy, the current workload involved in organizing a new agency, and the large and complex mandates that the agency is tasked with, student services are required to conduct routine business, research and data entry needs.

B. BACKGROUND/HISTORY

The Delta Reform Act of 2009—by which the Sacramento-San Joaquin Delta Conservancy Act was established—made significant changes to the structures of various state agencies and redefined the roles that they will play in the Delta. Specifically, the legislation tasks three agencies—the Delta Protection Commission, the Delta Stewardship Council, and the Sacramento – San Joaquin Delta Conservancy—with different, yet interrelated and complementary roles in the recovery of the Delta. The Delta Protection Commission's goal is to ensure orderly, balanced conservation and development of Delta land resources and improved flood protection. The Delta Stewardship Council is charged with developing a long-term Delta Plan that will ensure a reliable water supply balanced with establishing ecosystem restoration goals. The

FISCAL YEAR 2011-12
LEGISLATIVE MANDATES AND OPERATIONAL NEEDS

Sacramento-San Joaquin Delta Conservancy is charged with implementing ecosystem restoration and economic sustainability efforts in the Delta.

The co-equal responsibilities of ecosystem restoration and economic sustainability in the Delta are at the heart of the Delta Conservancy's mission, as provided by law. All the Delta Conservancy activities are based on the principles of collaboration and cooperation with local governments and interested parties (PRC Section 32320). The Delta Conservancy shall:

- Act as the primary state agency to implement ecosystem restoration in the Delta.
- Lead efforts that advance environmental protection and the economic well-being of Delta residents.

The statute creating the Delta Conservancy provides for 12 specific program objectives:

1. Protect and enhance habitat and habitat restoration.
2. Protect and preserve Delta agriculture and working landscapes.
3. Provide increased opportunities for tourism and recreation in the Delta.
4. Promote Delta legacy communities and economic vitality in the Delta, in coordination with the Delta Protection Commission.
5. Increase the resilience of the Delta to the effects of natural disasters such as floods and earthquakes, in coordination with the Delta Protection Commission.
6. Protect and improve water quality.
7. Assist the Delta regional economy through the operation of the conservancy's program.
8. Identify priority projects and initiatives for which funding is needed.
9. Protect, conserve, and restore the region's physical, agricultural, cultural, historical, and living resources.
10. Assist local entities in the implementation of their habitat conservation plans (HCPs) and natural community conservation plans (NCCPs).
11. Facilitate take protection and safe harbor agreements under the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.), the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code), and the Natural Community Conservation Planning Act (Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code) for adjacent landowners and local public agencies.
12. Promote environmental education through grant funding.

The Delta Conservancy is governed by a 23-member Board, including 11 voting members, 2 non-voting members, and 10 liaison advisors (PRC Section 32330 et seq.) The Board's chair is selected from the Delta Counties representative (PRC 32332). The Board composition is:

FISCAL YEAR 2011-12
LEGISLATIVE MANDATES AND OPERATIONAL NEEDS

Voting Members:

- Member or designee appointed by the Contra Costa County Board of Supervisors
- Member or designee appointed by the Sacramento County Board of Supervisors
- Member or designee appointed by the San Joaquin County Board of Supervisors
- Member or designee appointed by the Solano County Board of Supervisors
- Member or designee appointed by the Yolo County Board of Supervisors
- Two public members appointed by the Governor, confirmed by the Senate
- One public member appointed by the Senate Committee on Rules
- One public member appointed by the Speaker of the Assembly
- Secretary for Natural Resources Agency or designee
- Director of Finance or designee

County Boards of Supervisors may appoint alternates to the board.

Ex-Officio (non-voting) Members

- A member of the Senate, appointed by the Senate Committee on Rules
- A member of the Assembly, appointed by the Speaker of the Assembly

Liaison Advisors

- One representative from the U.S. Fish and Wildlife Service
- One representative from the U.S. National Marine Fisheries Service
- One representative of the U.S. Bureau of Reclamation
- One representative of the U.S. Army Corps of Engineers
- A designee of the San Francisco Bay Conservation and Development Commission
- A designee of the State Coastal Conservancy
- A designee of the Suisun Resource Conservation District
- A designee of the Central Valley Flood Protection Board
- A designee of the Delta Protection Commission
- A designee of the Yolo Basin Foundation

The Board is required to hold its regular meetings within the Delta or the City of Rio Vista (PRC Section 32350).

The Board shall establish and maintain a headquarters office within the Delta. The Conservancy may rent or own real and personal property and equipment pursuant to applicable statutes and regulations. The Delta Conservancy staff will secure a headquarters office in the Delta with supporting measures (PRC Section 32340).

The Board will appoint an Executive Officer of the Delta Conservancy with exempt entitlement. The Board shall employ other staff as necessary to execute the powers and functions provided for in SB X7 1 (PRC Section 32342).

**FISCAL YEAR 2011-12
LEGISLATIVE MANDATES AND OPERATIONAL NEEDS**

C. STATE LEVEL CONSIDERATIONS

This proposal implements mandates outlined in SB X 71 as follows:

- Division 22.3, Chapter 3, PRC Section 32320, which establishes the Sacramento-San Joaquin Delta Conservancy;
- Division 22.3, Chapter 3, PRC Section 32322 (a)(b)(c), which describes the Delta Conservancy's co-equal responsibilities and mandated objectives;
- Division 22.3, Chapter 5, PRC Section 32376, which requires the Delta Conservancy to develop a strategic plan;
- Division 22.3, Chapter 4, PRC Section 32340, which establishes the headquarters office in the legal Delta, and;
- Division 22.3, Chapter 4, PRC Section 32342, which allows the Delta Conservancy to employ staff necessary for executing its functions.

Environmental Protection Indicators for California (EPIC) Impacts

None.

D. FACILITY/CAPITAL OUTLAY CONSIDERATIONS

Per SB X7 1, all positions associated with the Delta Conservancy will be headquartered at a location within the legal Delta, PRC Section 32340. Funding for a facility is requested in this proposal.

E. JUSTIFICATION

The Delta Conservancy is a small agency with limited resources and it is unable to complete development of its mandated strategic plan and will not be able to begin implementation of its programs to meet the requirements of SB X7 1 without additional assistance, funding for operational costs associated with a headquarters office, and student services to maintain routine daily business operations.

Strategic Plan

Development of a strategic plan by the Delta Conservancy is mandated by SB X7 1 Sacramento-San Joaquin Conservancy Act of 2009, Division 22.3, Chapter 5, Section 32376. Specifically, the Act requires the Delta Conservancy to "...prepare and adopt a strategic plan to achieve the goals of the conservancy." This strategic plan must be completed within two years of hiring a permanent executive officer. Currently, the Delta Conservancy is developing an interim strategic plan as the foundation for a more technically detailed final strategic plan. The interim strategic plan will provide concrete mission and vision statements for the Delta Conservancy and guiding principles by which it will operate under. For this initial effort, the Delta Conservancy has the necessary expertise and resources to develop the interim plan. In order to develop a more technically detailed strategic plan that will outline specific projects, actions and

**FISCAL YEAR 2011-12
LEGISLATIVE MANDATES AND OPERATIONAL NEEDS**

priorities, as well as performance measures, the Delta Conservancy will need to hire consultants with experience working in the Delta region, with meeting facilitation, familiar with the steps of strategic planning, and to develop the final document. Though the timeline for developing the final strategic plan is two years from the hire of the executive officer the Delta Conservancy's Board needs to accelerate this process to keep pace with ongoing large planning efforts such as the Delta Plan, the Bay Delta Conservation Plan and the Economic Sustainability Plan. These larger efforts have very aggressive timelines and Delta Conservancy's strategic plan is either mandated to be consistent with these plans or will play an active role in implementing.

Existing funding will not cover the consultant costs for developing the final strategic plan and program within the Delta Conservancy. To begin implementing high priority projects that will be outlined in the final strategic plan, the requested funds will either completely fund small-scale projects or be part of a cost-share effort for larger projects with other agencies. These projects will ensure that the Delta Conservancy is meeting its mandated objectives to serve as a primary state agency responsible for implementing ecosystem restoration in the Delta as well as supporting efforts to advance the economic well-being of Delta residents.

Headquarters Office

No initial funding was provided for the Delta Conservancy's headquarters office, utilities or other costs directly associated with facility operations. The Delta Conservancy is in the process of securing a permanent headquarters in the legal Delta as required by PRC Section 32340.

Student Services

Funding is needed for securing student services. Due to the small size of the Delta Conservancy, the current workload involved in organizing a new agency and the large and complex mandates the agency is tasked with, additional assistance is required to conduct routine business, research and data entry needs.

F. OUTCOMES AND ACCOUNTABILITY

Strategic Plan

The Delta Conservancy has begun development of an interim strategic plan (to be completed in February 2011) and will move forward with completion of a final strategic plan well within the two year timeline mandated by SB X7 1. The current target date for completing the final strategic plan is December 2011. Implementation of high-priority projects included in the interim and final plans will begin in early 2012.

Headquarters Office

The Department of Water Resources was able to house the Delta Conservancy staff for free, but this agreement ends on June 30, 2011. Therefore, the Delta Conservancy must secure a headquarters location before the end of FY 2010-11 and start paying rent by July 2011. The agency is working with the Department of General Services to secure office space within this timeframe.

**FISCAL YEAR 2011-12
LEGISLATIVE MANDATES AND OPERATIONAL NEEDS**

Student Services

The Delta Conservancy will look to secure student services starting in July 2011.

G. ANALYSIS OF ALL FEASIBLE ALTERNATIVES

Alternative 1: LEGISLATIVE MANDATES AND OPERATIONAL NEEDS.

Advantage

- Meet mandates in SB X 71 to develop and implement a strategic plan.
- Meet mandate to serve as primary state agency for ecosystem restoration for the Delta.
- Meet mandate to be consistent with Delta Plan and Economic Sustainability Plan.
- Obtain a headquarters office in the legal Delta.
- Obtain students services to help with routine business, research and data entry.

Disadvantage

- Unmet mandates as outlined in SB X 71.
- The development and implementation requirements for the Delta Conservancy will be significantly compromised.
- Uncertainty of headquarters locations/options beyond June 2011.

Alternative 2: DO NOTHING.

Advantage

- None.

Disadvantage

- Unmet mandates as outlined in SB X 71.
- Unmet mandate to serve as a primary state agency for ecosystem restoration for the Delta.
- The development and implementation requirements for the Delta Conservancy will be significantly compromised and mandates unmet.
- Uncertainty of headquarters location/options beyond June 2011.

H. TIMETABLE

Fiscal Year 2011-12.

I. RECOMMENDATION

Alternative 1.